

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	SouthGobi Resources Ltd.					
Reporting Year	From	2019-01-01	To:	2019-12-31	Date submitted	8/20/2020
Reporting Entity ESTMA Identification Number	E775061		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)	SouthGobi Sands LLC, Inner Mongolia SouthGobi Energy Co., Ltd., SouthGobi Resources Ltd.					
Not Consolidated						
Not Substituted						
Attestation by Reporting Entity						
<p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p>						
Full Name of Director or Officer of Reporting Entity	Mr. Dalanguerban				Date	8/20/2020
Position Title	Executive Director and Chief Executive Officer					

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Reporting Entity Name	SouthGobi Resources Ltd.			
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Subsidiary Reporting Entities (if necessary)				

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^{3,4}
Mongolia	Umnugobi Province Government	Tax Department of Umnugobi Province	520,000	-	110,000	-	-	-	-	630,000	Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2,663:1.
Mongolia	Mongolia National Government		5,360,000	11,460,000	90,000	-	-	-	-	16,910,000	Rate applied to translate MNT to USD is based on the actual rate on the payment date, weighted average exchange rate is 2,663:1. Tax paid include the following amounts: - Royalties US\$11.5m - Export duty US\$2.4m - Corporate Income Tax US\$3.0m - Air pollution tax US\$0.1m Payees include: GENERAL DEPARTMENT OF NATIONAL TAXATION (14.4 M) CUSTOMS DEPARTMENT AT THE SHIVEE KHUREN BORDER (2.4 M) MINERAL RESOURCES AND PETROLIUM AUTHORITY (0.1M)
China	Inner Mongolia, Autonomous Region of China Government		2,160,000	-	-	-	-	-	-	2,160,000	Rate applied to translate RMB to USD is based on the actual rate on the payment date, weighted average exchange rate is 6.91:1. Payees include: INNER MONGOLIA EJINA CUSTOMS (1.4 M) INNER MONGOLIA LOCAL TAX BUREAU (0.8 M)
Canada	Government of Canada	Receiver General of Canada	50,000		20,000					70,000	Rate applied to translate CAD to USD is based on the actual rate on the payment date, weighted average exchange rate is 1.33:1.

Additional Notes:

¹ Enter the proper name of the Payee receiving the money (i.e. the municipality of x, the province of y, national government of z).

² Optional field.

³ When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

⁴ Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the Additional notes row or the Notes column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.

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Subsidiary Reporting Entities (if necessary)			

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Mongolia	Ovoot Tolgoi	8,090,000	11,460,000	160,000	-	-	-	-	19,710,000	
Mongolia	Soumber	-	-	60,000	-	-	-	-	60,000	

Additional Notes³: